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**LOUISIANA GUARDIANSHIP
SERVICES, INC.**

FINANCIAL REPORT

JUNE 30, 2008 AND 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09

LOUISIANA GUARDIANSHIP SERVICES, INC.

TABLE OF CONTENTS

JUNE 30, 2008 AND 2007

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4 - 5
STATEMENTS OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7 - 12
<u>SPECIAL REPORTS OF INDEPENDENT AUDITOR</u>	
REPORT ON ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	14-15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16-18
<u>SPECIAL REPORTS OF MANAGEMENT</u>	
SCHEDULE OF PRIOR YEAR FINDINGS	20
MANAGEMENT CORRECTIVE ACTION PLAN	21

Reginald A. Bresette, III
Limited Liability Company

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Reginald A. Bresette, III, CPA

INDEPENDENT AUDITOR'S REPORT

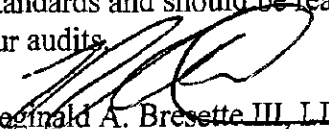
To the Board of Directors
Louisiana Guardianship Services, Inc.

We have audited the accompanying statements of financial position of the Louisiana Guardianship Services, Inc. (the Company) (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Guardianship Services, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2008, on our consideration of Louisiana Guardianship Services, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.


Reginald A. Bresette III, LLC
Certified Public Accountants
December 8, 2008

LOUISIANA GUARDIANSHIP SERVICES, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2008 and 2007

	<u>ASSETS</u>	
	<u>2008</u>	<u>2007</u>
Current Assets		
Cash in bank		\$ 25,745
Cash held in escrow for representative payees	\$ 77,275	90,700
Receivables:		
Grants (Note 2)	109,793	23,130
Prepaid rent	<u>1,578</u>	<u>1,578</u>
Total Current Assets	<u>188,646</u>	<u>141,153</u>
Assets restricted to investment in property, furniture, and equipment (Note 3)		
Cost, less accumulated depreciation	6,570	3,190
Security deposits	<u>1,578</u>	<u>1,578</u>
Total Assets	<u>\$ 196,794</u>	<u>\$ 145,921</u>

LIABILITIES AND NET ASSETS

Liabilities		
Cash in bank - deficit	\$ 27,941	
Accounts payable	14,461	
Accrued vested annual leave benefits	11,657	\$ 9,546
Funds held in escrow (Note 5)	77,275	90,700
Bank line of credit (Note 6)	<u>13,271</u>	<u>16,751</u>
Total Liabilities	<u>144,605</u>	<u>116,997</u>
Net Assets		
Unrestricted (deficit)	50,078	13,924
Temporarily restricted by donors (Note 7)	<u>2,111</u>	<u>15,000</u>
Total Net Assets	<u>52,189</u>	<u>28,924</u>
Total Liabilities and Net Assets	<u>\$ 196,794</u>	<u>\$ 145,921</u>

The accompanying notes are an integral part of this statement

LOUISIANA GUARDIANSHIP SERVICES, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008		2007	
Support, Revenues and Reclassifications	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Support				
Grant - Federal Government	\$ 50,318	\$ 50,318	\$ 50,318	\$ 50,318
Grant - State of Louisiana	254,208	254,208	227,244	227,244
Contributions	5,777	5,777	8,684	15,000
Total Support	310,303	310,303	286,246	15,000
Revenues				
Other revenue	5,076	5,076	22,576	22,576
Total Revenue	5,076	5,076	308,822	15,000
Reclassifications				
Net assets released from restrictions		\$ (12,889)		
Expiration of purpose restrictions	12,889			
Total Reclassifications	12,889	(12,889)		
Total Support, Revenues and Reclassifications	328,268	(12,889)	308,822	15,000
Expenses				
Program services	278,165	278,165	276,831	276,831
Management and general	13,949	13,949	13,866	13,866
Total Expenses	292,114	292,114	290,697	290,697
Increase (Decrease) in Net Assets	36,154	(12,889)	18,125	15,000
Beginning of year	13,924	15,000	(4,201)	(4,201)
End of year - (deficit)	\$ 50,078	\$ 2,111	\$ 13,924	\$ 15,000
		\$ 52,189		\$ 28,924

The accompanying notes are an integral part of this statement

LOUISIANA GUARDIANSHIP SERVICES, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	<u>2007</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from the State of Louisiana	\$ 167,545	\$ 227,244
Cash received from the Federal Government	50,318	50,318
Cash collected from contributors	5,777	23,684
Other revenue	5,076	22,576
Salaries	(141,702)	(158,537)
Fringe benefits	(28,971)	(30,406)
Travel	(24,890)	(19,913)
Office Expense	(4,460)	(3,534)
Accounting and professional	(8,588)	(8,380)
Dues and subscriptions	(750)	(3,252)
Duplicating and printing	(2,430)	(812)
Education and conferences	(9,379)	(7,732)
Insurance	(16,828)	(24,188)
Occupancy	(20,063)	(23,058)
Postage	(902)	(1,593)
Telephone	(9,846)	(10,944)
Administrative cost	(2,429)	(230)
Interest expense	(1,668)	(1,771)
Net cash provided (used) by operating activities	<u>(44,190)</u>	<u>29,472</u>
Cash flows from investing activities:		
Acquisition of fixed assets	<u>(6,016)</u>	
Net cash provided (used) by investing activities	<u>(6,016)</u>	
Cash flows from financing activities:		
Proceeds from bank line of credit	45,106	
Payments on bank line of credit	<u>(48,586)</u>	<u>(3,350)</u>
Net cash provided (used) by financing activities	<u>(3,480)</u>	<u>(3,350)</u>
Net increase (decrease) in cash	(53,686)	26,122
Cash at beginning of year (deficit)	<u>25,745</u>	<u>(377)</u>
Cash at end of year (deficit)	<u>\$ (27,941)</u>	<u>\$ 25,745</u>

The accompanying notes are an integral part of this statement

LOUISIANA GUARDIANSHIP SERVICES, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 23,265	\$ 33,125
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,636	2,271
(Increase) Decrease in prepaid expenses		(1,578)
(Increase) Decrease in receivables	(86,663)	
(Increase) Decrease in security deposits		(1,578)
Increase (Decrease) in accounts payable	14,461	(100)
Increase (Decrease) in vested annual leave benefits	<u>2,111</u>	<u>(2,688)</u>
Net cash provided (used) by operating activities	<u>\$ (44,190)</u>	<u>\$ 29,452</u>
Supplemental data:		
Interest paid	<u>\$ 1,668</u>	<u>\$ 1,771</u>

The accompanying notes are an integral part of this statement

LOUISIANA GUARDIANSHIP SERVICES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008			2007		
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL
Salaries	\$ 158,274	\$ 149,314	\$ 8,960	\$ 155,869	\$ 146,674	\$ 9,195
Accounting	8,588	8,588		8,380	8,380	
Conferences/training	9,379	9,379		7,732	7,732	
Dues and Subscriptions	750	750		3,252	3,252	
Insurance						
General	16,828	16,828		24,188	24,188	
Group	16,985	16,985		17,820	17,820	
Depreciation	2,636		2,636	2,271		2,271
Interest expense	1,668		1,668	1,771		1,771
Miscellaneous	2,429	2,429		232	232	
Occupancy (Note 4)	20,063	20,063		19,799	19,799	
Office supplies	4,460	4,460		3,534	3,534	
Payroll taxes	11,986	11,301	685	11,957	11,328	629
Postage	902	902		2,222	2,222	
Printing and duplication	2,430	2,430		812	812	
Telephone	9,846	9,846		10,944	10,944	
Travel	24,890	24,890		19,914	19,914	
	<u>\$ 292,114</u>	<u>\$ 278,165</u>	<u>\$ 13,949</u>	<u>\$ 290,697</u>	<u>\$ 276,831</u>	<u>\$ 13,866</u>

The accompanying notes are an integral part of this statement.

LOUISIANA GUARDIANSHIP SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Louisiana Guardianship Services, Inc. (the Company) are prepared on the accrual basis of accounting and in accordance with the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, "Audits of Certain Nonprofit Organizations". Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The significant accounting policies followed are described below:

a) Organization:

The Company is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is exempt from Louisiana income tax under the authority of R.S.47:121(5).

The Company is a private non-profit corporation organized to: (1) act as curator or continuing tutor for the person, property, or both, of adults in Louisiana in need of full or limited interdiction or continuing tutorship; (2) to act and be recognized as agency under contract with the State of Louisiana and its political subdivisions or any department, office, agency, board or commission of either, to perform curatorship or continuing tutorship services for Louisiana citizens pursuant to Title 9, Section 1031 et. seq. of the Louisiana Revised Statutes, as amended; (3) to advance continuing legal education for judges and attorneys who are involved in interdiction and continuing tutorship proceedings; and (4) to identify the alternative agencies and existing resources within Louisiana which may meet the needs of Louisiana adults who are declined services by the corporation and to provide a system for referring such persons to these alternative agencies and resources.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Specific program objectives of DHH-OCDD (Department of Health and Hospitals-Office for Citizens with Development Disabilities) are to protect the rights and interests of mentally incapacitated persons in Louisiana with no one to make decisions on their behalf, the program will:

1. Act as limited or full curator for up to 125 persons during the fiscal year of program operation;
2. Provide joint training to staff and others selected from the general public, service providers, and the legal community about the work of the Company and about all issues surrounding guardianship;
3. Give priority for guardianship services from DHH-OCDD facilities as determined by DHH-OCDD state office;
4. Refer persons who are not eligible for the Company's services;
5. To require individuals referred to the Company from outside of DHH-OCDD facilities to be screened by DHH-OCDD for prioritization for curatorship assignment;
6. To provide continuing curatorship services to clients relocated from OCDD facilities to private/community placements to alternative community resources;

Other specific program objectives are to provide guardianship services to elders who have no one willing or able to assume this responsibility, provide consultation to the legal system about guardianship issues, and education regarding alternatives to guardianship. The guardianship services provided include acting as full or limited guardian of an individual's financial medical, and treatment planning needs.

b) Accounting:

The Company reports gifts of property, furniture, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Company reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

c) Receivables:

Amounts of the government grants awarded and earned but not received at the end of the grant period, which corresponds to the Company's year end, are accrued as grant receivable at June 30, 2008 and 2007.

d) Property, Furniture, and Equipment:

Property, furniture, and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets (seven years). One-half year's depreciation is taken in the year of purchase.

e) Vested Annual Leave Benefits:

Employees are entitled to paid vacations after six months of employment. Vacation time in excess of 160 hours cannot be accrued. Terminated employees will be paid for unused vacation leave if employed in excess of six months.

Vested annual leave benefits are accrued and recorded as a liability when such compensated absences become non-forfeitable. These amounts are not charged as program expenses of Federal government grants or agency contracts, and are treated as non-allowed costs, until they are paid.

Sick leave accrues at eight hours per month, or ninety-six hours per year. There is no maximum accumulated sick leave. Sick leave does not vest with the employee and, therefore, is forfeited upon termination.

f) Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

g) Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

h) Cash and Cash Equivalents:

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

i) Other Support and Revenue Recognition:

Cash donations are recorded as earned revenue when received.

NOTE 2 - GRANTS AND CONTRACTS FOR SERVICES RECEIVABLE

The Company has incurred expenses on contracts open at June 30, 2008 and 2007, in excess of contract fees for services received at that date. A receivable has been recorded on these contracts for the excess expenses.

	<u>2008</u>	<u>2007</u>
State of Louisiana Office for Citizens with Developmental Disabilities	\$ 105,600	\$18,937
State of Louisiana Office of Elderly Affairs	<u>4,193</u>	<u>4,193</u>
	<u>\$ 109,793</u>	<u>\$23,130</u>

NOTE 3 - PROPERTY, FURNITURE, AND EQUIPMENT

Property, furniture, and equipment represent acquisitions of tangible personal property by funds provided to the Company by a Federal government grant, a contract for services by an agency funded by the State of Louisiana, or by unrestricted funds of the Company. The Company has the right to use these assets in the programs for which they were acquired.

The U.S. Department of Health and Human Services (DHHS), and the State of Louisiana retain an equitable interest in these capital assets which must be used for the specified program for which they were acquired. DHHS and the State of Louisiana retain the right to require transfer of the assets back to the Federal or State governments, but this is normally exercised only if the program for which the assets were acquired would be transferred from one grantee to another.

NOTE 3 - PROPERTY, FURNITURE, AND EQUIPMENT (CONTINUED)

Property, furniture, and equipment consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Equipment	\$ 30,500	\$ 24,484
Leasehold improvements	<u>637</u>	<u>637</u>
	31,137	25,121
Less: accumulated depreciation	<u>24,567</u>	<u>21,931</u>
Net book value	\$ <u>6,570</u>	\$ <u>3,190</u>

Depreciation expense for the year ended June 30, 2008 and 2007 was \$2,636 and \$2,270 respectively.

NOTE 4 - LEASE COMMITMENTS

The Company leased new office space for their main office in Metairie, Louisiana under a non-cancelable agreement accounted for as an operating lease during the year ended June 30, 2008. The lease expires August 2008, with an option to renew for two more years for a stated rental amount of \$1,578 per month. Future minimum lease payments at June 30, 2008 are \$1,578.

Rent expense incurred under this lease was \$18,936 for the year ended June 30, 2008.

NOTE 5 - FUNDS HELD IN ESCROW

This balance represents funds held in a separate Louisiana Guardianship Services, Inc., bank account for the client trust accounts. Deposits are made to this account of the client's personal funds (social security, etc.) and disbursements are drawn from this account for the client's living expenses. The funds in the bank account are the property of the client.

NOTE 6 - BANK LINE OF CREDIT

The Company has a bank line of credit which provides short-term borrowings up to \$20,000. Interest and principle on advances is payable monthly at the prime rate plus 2%. The outstanding balance is \$13,271 as of June 30, 2008.

NOTE 7 – TEMPORARY RESTRICTIONS ON ASSETS

Temporary restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. At June 30, 2008 and 2007 temporarily restricted net assets are available for the following purposes or periods:

	<u>2008</u>	<u>2007</u>
Comm Care Corporation (purpose restrictions)	<u>\$2,111</u>	<u>\$15,000</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2008</u>
Purpose restrictions expired on:	
Comm Care Corporation	<u>\$12,889</u>

NOTE 8 - CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

The Company receives grants and contracts for services from government agencies, which comprises the majority of its revenue.

NOTE 9 - LITIGATION AND CLAIMS

There is no pending litigation against the Company at June 30, 2008. Furthermore, the Company's management believes that any potential lawsuits would be adequately covered by insurance.

NOTE 10 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

SPECIAL REPORTS OF INDEPENDENT AUDITOR

Reginald A. Bresette, III
Limited Liability Company

Reginald A. Bresette, III, CPA

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Louisiana Guardianship Services, Inc.

We have audited the financial statements of Louisiana Guardianship Services, Inc. (the Company) (a non-profit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

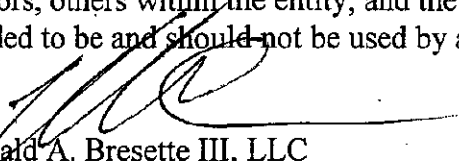
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2008-1 and 2008-2.

The Company's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Company's response and, accordingly, we express no opinion on it.

This report is intended for solely for the information and use of the Company's board of directors, others within the entity, and the Legislative Audit Advisory Committee and is not intended to be and should not be used by anyone other than these specified parties.



Reginald A. Bresette III, LLC
Certified Public Accountants

December 8, 2008

SCHEDULE OF FINDINGS AND REPOSES

For the Year Ended June 30, 2008

We have audited the financial statements of Louisiana Guardianship Services Inc. (the Company) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 8, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Our audit of the financial statements as of June 30, 2008, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. **Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses – None

Significant Deficiencies – Yes

Compliance

Compliance Material to Financial Statements – No

Compliance Immaterial to Financial Statements – Yes

2008-1 Findings: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare their annual financial statements. This condition is intentional by management based upon the Company's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended June 30, 2008

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management's Response: We concur with the audit finding.

2008-2 Findings: Our examination disclosed there is lack of segregation of duties within the organization. This weakness is due to the fact that the organization has a very small staff. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, since the organization has such a small staff, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of hiring additional employees to handle separate aspects of the accounting function might exceed any benefits gained.

Recommendation: Based upon the cost-benefit of hiring additional accounting personnel, it may not be feasible to achieve complete segregation of duties. We recommend that the organization finance committee and executive director continue to closely monitor all records and transactions.

Response: The organization's executive director and board concur with the recommendation.

b. Federal Awards

Internal Control

Material Weaknesses – None

Reportable Conditions – None

Compliance

Compliance Material to Financial statements - No

Compliance Immaterial to Financial statements - No

Section II Financial Statement Findings

There were no financial statement findings during the fiscal year ended June 30, 2008.

Section III Federal Award Findings and Questioned Costs

None.

SPECIAL REPORTS OF MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Louisiana Guardianship Services, Inc. had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

In regards to federal awards, Louisiana Guardianship Services, Inc. had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2007.

MANAGEMENT CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Louisiana Guardianship Services, Inc. had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

In regards to federal awards, Louisiana Guardianship Services, Inc. had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2007.